

State of Montana Disaster Plan Amendment Plan Year 2008



Governor Brian Schweitzer

Utilizing Supplemental
CDBG Disaster Recovery
Funding
from the Supplemental
Appropriations Act
(Public Law 110-252), 2008
Through U.S. Department
of Housing and Urban
Development
Docket No. FR-5250-N-01
[Federal Register:
September 11, 2008
(Volume 72, Number 13)]

Investing in Montana's Communities

DEPARTMENT OF COMMERCE

Anthony Preite, Director

Community Development Block Grant Program

**Amendment to:
Plan Year
April 1, 2008
through
March 31, 2009**

**DRAFT
for
Public
Comment**

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**STATE OF MONTANA
DRAFT CDBG DISASTER RECOVERY
ACTION PLAN**

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INTRODUCTION

This Action Plan outlines the expected distribution and use of \$666,672, allocated to Montana by HUD, through the Midwest Flood Community Development Block Grant. These Disaster Recovery funds were authorized by the Supplemental Appropriations Act of 2008 (SAA), signed into law on June 30, 2008 by President Bush, as an adjunct to the CDBG Program. The SAA provides a supplemental appropriation for the CDBG program for necessary expenses related to disaster relief, long term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of natural disasters. The Montana Department of Commerce (MDOC) will administer the Disaster Recovery funds through the Community Development Division (CDD) CDBG Program, which will work to expeditiously deliver these funds to four eligible Montana counties: Carter, Custer, Fallon, and Powder River.

Since the MDOC began administering the State CDBG Program in 1982, the program has always placed a great emphasis on responding to locally identified needs and priorities that are consistent with the purposes of the CDBG program. Montana's CDBG Program has always emphasized a bottom-up, rather than a top-down, process for identifying worthy and needed CDBG projects. The MDOC plans to continue to follow this same process for the disaster funding in order to prioritize locally identified needs and complete Disaster Recovery eligible activities during the timeframe set for implementation of the program.

Since the signing of the SAA on July 30, 2008, MDOC has been soliciting comments from local governments of the four affected counties in regards to how best Montana can implement the new Disaster Recovery grant. County officials were informed of the new

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Disaster Recovery funds and were invited to offer comments. As a result, MDOC has received information regarding local damage assessments, recovery efforts, and county action towards restoration of public services.

MDOC will work directly with local governments in the four affected counties to determine the best strategy to distribute and use the funds as quickly as possible, based on community priorities. In all cases, the underlying distribution and use of funds will be dictated by the eligible uses and eligible activities set forth in the Federal Register Notice (hereafter referred to as the Notice), which was published on December 19, 2008.

The purpose of the Disaster Recovery funds is to address the results of the severe winter storm which occurred on May 1-2, 2008, a presidentially-declared disaster which resulted in significant damage throughout the four eligible counties. The CDBG disaster funding will help to address much of the damage recovery needs, in addition to restoration of public services in this rural area of Montana.

According to HUD, disaster recovery funds must be focused on areas of greatest need and for projects that will have a meaningful impact on communities. The Notice states that the disaster funds are “for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster....” The SAA requires that the disaster recovery funds be targeted to the four counties included in the presidential declaration of disaster and be used or obligated within by the end of state fiscal year 2010.

As is more fully described below and in response to HUD’s requirements, MDOC intends to issue a request for proposals (RFP) as a means of distributing the State’s allocation to the four counties through a single funding round.

A. Background and Purpose

The purpose of the Montana CDBG Disaster Recovery Program is to provide direct grants to the four affected counties (Carter, Custer, Fallon, and Powder River) to reimburse documented expenses directly attributable to the May 1-2, 2008 presidentially-declared disaster impacts, and to assist counties in bringing their public services to full normal function following the storm.

The State of Montana received a \$666,672 allocation in CDBG funding from HUD as part of the \$200 million allocated to 15 states affected by natural disasters, through the Supplemental Appropriations Act, 2008. Congress has designated these funds to support the affected counties’ efforts for disaster relief, long-term disaster recovery and critical infrastructure restoration.

Specifically, MDOC intends to:

- ✓ Invest in local emergency management service agencies to coordinate in all areas of emergency management – preparedness, response, recovery, and restoration;
- ✓ Support integrated, regional planning to address recovery, and leverage local governmental strengths for ongoing initiatives; and
- ✓ Promote and support communications and outreach initiatives to educate and support Montanans as they recover and plan for future disasters.

B. Distribution and Uses of Funds

Distribution Process

MDOC will:

- rely on documentation to confirm eligible recovery costs for any disaster recovery expenses which are directly attributable to the presidentially-declared disaster of May 1-2, 2008, as required by the Notice; and
- use a Request for Proposals (RFP) process to solicit proposals from eligible local governments to implement restoration projects related to this severe winter storm event.

MDOC will distribute funds without regard to a local government's status under any other CDBG program grant.

Upon approval of Montana's Action Plan by HUD, MDOC will issue a Disaster Recovery RFP to the four affected counties and begin accepting combined requests for Disaster Recovery reimbursement and restoration proposals. The RFP date will be set upon HUD's approval of this Action Plan and/or changes issued to the Disaster Recovery Notice or interpretation of the Notice as clarified on the HUD website. MDOC urges potential grantees to be on alert for such changes, which will be posted on the MDOC website. That website is http://comdev.mt.gov/CDD_CDBG.asp:

Funding

- Applicants may submit requests for reimbursement, supported by documentation, for eligible recovery costs for disaster recovery expenses that are directly attributable to the presidentially-declared disaster of May 1-2, 2008 at any time after the initial Disaster Recovery Action Plan has been issued by MDOC and approved by HUD.
 - The State will award Disaster Recovery funds to eligible applicants after receipt of requests for reimbursement that are timely and consistent with this action plan.

and/or

- Applicants may submit proposals for restoration in response to MDOC's RFP. These responses must be reasonable and appropriate given the limited amount of funds in comparison to the anticipated high demand for them among the four eligible counties. The RFP will be posted on Montana's CDBG website:

http://comdev.mt.gov/CDD_CDBG.asp

- The State will award Disaster Recovery funds to eligible applicants after the initial Disaster Recovery Action Plan has been issued by MDOC and approved by HUD and following a review of proposals that are clearly aimed at restoring public infrastructure and normal government services impaired by this severe winter storm event. Please note that many dates on the timeline (Appendix D) are tentative.

The State reserves the right to reject any application that does not meet the requirements of the Disaster Recovery notice or appears infeasible.

Administrative Funds

The Notice allows MDOC to use 5% of the Disaster Recovery funds available for administrative uses to fulfill the administrative and monitoring requirements of the program; however, no local administrative funds are budgeted. State administration will include staff, equipment, consulting, technical assistance, and other operating costs involved in selection, funding, assisting, and monitoring local projects, detailed quarterly reporting to HUD, documentation of adherence to all laws, and other expenses. It is important to note that no funds are available for local administration of the disaster grant.

MDOC's financial management and legislative audit staff will independently ensure that program requirements, including accounting, procurement, accountability, and non-duplication of benefits, are met and that continual quality assurance is achieved, and will report both to the Director of the MDOC and the Legislative Auditor, respectively.

Activity Funds

1. In order to receive a Disaster Recovery reimbursement award, prospective grantees should submit requests for reimbursement of damage expenses, along with documentation that demonstrates directly the relationship between those expenses and the presidentially-declared disaster of May 1-2, 2008.

2. After notification of an acceptable proposal and a Disaster Recovery award, grantees will receive authorization to begin project start-up activities which do not involve any physical construction or demolition activities, such as hiring professional grant administrators, engineers, architects, or initiating the project environmental review process. These start-up activities consist of the following:

- utilizing administrative staff working on Disaster Recovery activities and/or selecting an outside administrative consultant for Disaster Recovery projects;
- preparation or revision of project management plans;
- publishing legal notices;
- incurring other administrative expenses required for capacity building (e.g., training appropriate for the Disaster Recovery project);
- advertising for consultant services (architecture, engineering, and grant administration) by means of requests for proposal (RFP) or requests for qualifications (RFQ), as applicable;
- Project architecture, engineering and design costs; and
- Environmental studies or assessments required by HUD regulations (24 CFR, Parts 51, 55, and 58).

Full release of funds for proposed activities is contingent on the satisfactory completion of the Environmental Review Record for the Disaster Recovery project, the issuance of a

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Release of Funds notification by the Department of Commerce, and executing and meeting the terms of the contract between the Department and the local entity. In the event the grantee is unable to complete any required start-up activity, any costs incurred will be the responsibility of the grant applicant.

Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all Subgrantees. Some projects will be exempt from the environmental assessment process, but all Subgrantees will be required to submit a Request for Release of Funds and Certification. Funds will not be released for expenditure until the Departments are satisfied that the appropriate environmental review has been conducted. Subgrantees will not use CDBG disaster recovery reimbursement or restoration funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

Grantees will also be responsible for any costs incurred in the event the grantee or subgrantee commits funds for work outside the scope of an executed contract or similar agreement to carry out a disaster remediation activity.

Eligible Applicants

The disaster recovery funding is available to any unit of local government located within the four counties affected by the presidentially-declared disaster of May 1-2, 2008, as listed in the Federal Register, specifically Carter, Custer, Fallon and Powder River. It is important to note that all entities must follow all applicable CDBG regulations.

Eligible Activities

MDOC will make Disaster Recovery funds available for the following statutorily eligible activities. Disaster Recovery funds are eligible for damage resulting from the May 1-2, 2008 storm, specifically:

1. Disaster reimbursement:
 - a. *Unmet housing needs*

(Note: While unmet housing needs are eligible under the federal terms of the Disaster Recovery notice, no unmet housing needs directly attributable to the May 1-2, 2008 disaster were reported at any time. None of the four affected counties reported providing emergency shelter, as an example.)

- b. *Unmet business needs:*
For example:
 1. Property loss of businesses directly attributable to the May 1-2, 2008 disaster; and/or
 2. Real content loss of businesses directly attributable to the May 1-2, 2008 disaster.

- c. *Unmet infrastructure needs:*
For example:

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1. Debris removal directly attributable to the May 1-2, 2008 declared disaster; and/or
2. Road repair directly attributable to the May 1-2, 2008 declared disaster and limited to roads with a functional classification of 'major collector' or higher, as listed in the chart in Appendix B.

and/or

2. Long-term restoration
 - a. *Innovative projects to restore infrastructure and normal government services impaired by severe winter weather.*

The eligible activities outlined in this Action Plan for disaster recovery and restoration funds may be subject to change, based upon HUD's approval of this Action Plan, and/or changes issued to the Disaster Recovery Notice or interpretation of the Notice. MDOC urges potential grantees to be on alert for such changes, which will be posted on the MDOC website with other CDBG publications and materials. That website is: http://comdev.mt.gov/CDD_CDBG.asp.

Ineligible Activities

Ineligible items/activities include:

- Road repair costs on roads with a functional classification of 'minor collector' or 'local road' (See "Eligible Roads by County" chart, Appendix B);
- Local or state monetary or in-kind contributions submitted as 25% proof of match for 75% reimbursement through FEMA funds;
- Any costs duplicated, reimbursed or paid for by other programs (State, FEMA, Army Corps of Engineers, etc.); and/or
- Any costs reimbursed or paid for by insurance.

Grant Amounts

MDOC anticipates that the amount of funds that can be applied for and approved will vary with population and needs of each community. The State will not impose a 'ceiling' or maximum for the amount of a grant request. However, as eligible recipients prepare their proposals, applicants should keep in mind the limited amount of funding available relative to the eligible recovery reimbursement and restoration needs. MDOC will strive to distribute disaster recovery and restoration funds fairly and reasonably based on the counties' applications. Applicants are also encouraged to prioritize eligible disaster recovery and restoration needs and submit proposals which address the most urgent needs. As guidance for potential applicants, MDOC recommends that applicants apply for funding amounts commensurate with:

- a) Cost of the project;
- b) Amounts of disaster recovery reimbursement and restoration funds available for the specific activity;
- c) Consideration of estimated 'per county' funding limitations;

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- d) Availability of other emergency funding sources;
- e) The applicant's capacity to carry out the proposed activities in a timely manner.

C. TOTAL BUDGET

Based on comments received, the State of Montana has developed an estimated budget for each Disaster Recovery activity. These are approximations and may change based on requests for reimbursement of damage expenses received in response to the MDOC RFP process.

Budget Categories	Amount
Infrastructure Relief Reimbursement	\$158,334.75
Infrastructure Restoration	\$475,004.25
Subtotal (95%)	\$633,339.00
State Administration	\$33,333.00
Subtotal (5%)	\$33,333.00
Grand Total	\$666,672.00

Award of Funds

As required by the SAA, Disaster Recovery and Restoration funds are available until expended, but the Montana CDBG intends to complete all related activities by the end of the state fiscal year (June 30, 2010). The Notice states, "Funds are used when they are obligated by a state, unit of general local government, or any subrecipient thereof, for a specific Disaster Recovery and Restoration activity."

Disaster Recovery grants to eligible recipients will receive a grant award for a firm, fixed amount of funds as is the case with the regular State CDBG Program. Projects can be approved in concept; however, the commitment of funds for project components will be finalized as the eligible recipients are able to firmly obligate funds for project activities through a contractual process. Once the Disaster Recovery funds are obligated by the grantee, MDOC will sign a contract for the obligated amount. The Montana CDBG website will provide assistance to prospective applicants regarding the amount of available Disaster Recovery funds for the four affected counties. The MDOC CDBG is located at the following link: http://comdev.mt.gov/CDD_CDBG.asp.

RFP Selection Criteria and Priorities

MDOC has established the priorities described below that will be used to evaluate proposals for Disaster Recovery. Each criterion is important to demonstrate a cohesive and successful Disaster Recovery strategy and was designed to assure that the State complies with the HUD Notice, meets applicable CDBG regulations, and spends the funds in an effective and timely manner. Each criterion will be weighted equally.

If the State does not receive proposals totaling at least the budgeted amount for Disaster Recovery funds (at least \$475,004.25) from the four counties as required by statute, MDOC may choose to solicit additional proposals for Disaster

Recovery proposals, modify grant request amounts, and/or identify other eligible projects that meet the minimum requirements.

- **Disaster Recovery:** Proposals that can propose innovative means for restoring public infrastructure and normal government services limited or impaired during severe winter weather.
 - ✓ Proposal will address need(s) arising from the 2008 disaster
 - ✓ Proposal is the most appropriate, cost-effective alternative to resolve the need.
 - ✓ Proposal must meet the minimum threshold criteria, as follows:
 - (a.) Urgency of the need for the facility; threat to health, safety, or welfare
 - (b.) Sufficient local, state, or federal funds are either not available or cannot be obtained within a reasonable time frame.
 - (c.) Use of additional local taxes in place of the requested assistance would place undue burden on residents, especially low- and moderate income households.
- **Capacity of Applicant and Program Administrators:** MDOC will consider the following considerations for all proposals:
 - ✓ To be awarded a disaster recovery or Restoration grant, a local government must have the management capacity to satisfactorily complete the project it is proposing from the date of the approval of the State's Action Plan by HUD.
 - ✓ An applicant is assumed to have the capacity to undertake the proposed project unless available information raises a question concerning an applicant's capacity. If any question arises when the Disaster Recovery proposal is submitted, MDOC may request additional information. If an applicant does not believe that it currently has the capacity to manage a Disaster Recovery grant, it may hire administrative staff or arrange for project administration by another local government through an inter-local agreement or by contracting for administrative services with a consultant. However, it is important to note that no funds are available for local administration of the disaster grant.
- **Assistance to Low-Income Households at or Below 50 percent AMI:** In order to meet the requirement that at least 50 percent of all Disaster Recovery funds assist households at or below 50 percent of the area median income (AMI), the State will consider only proposals that will meet this requirement. NOTE: MDOC will ensure the assistance to low-income households proposed in Disaster Recovery proposal through contract conditions with required performance levels in order to receive Disaster Recovery grant payments.

D. Public Comment

Persons who would like to comment on this Action Plan may send those comments to:

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Consolidated Plan Coordinator
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Helena, MT 59620
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Comments must be received by 5 p.m. on March 11, 2009.

E. Disaster Recovery Information by Activity

ACTIVITY A: Damage Recovery

➤ **Description:** Repair to standard condition infrastructure, housing and businesses damaged by the presidentially-declared disaster of May 1-2, 2008

(1) **Activity Name:** Damage Recovery.

(2) **National Objective:**

- a. All activities must meet resolve an urgent need, and
- b. At least 50% of the disaster grant funds must be used for activities that meet the National Objective of primarily benefiting persons of low- and moderate-income.

(3) **Activity Description:**

Reimbursement of expenses incurred by local governments to restore to standard condition infrastructure, housing, and businesses damaged by the presidentially-declared disaster of May 1-2, 2008

(4) **Location Description:** Projects will be located in the four counties affected by the presidentially-declared disaster of May 1-2, 2008; specifically Carter, Custer, Fallon and Powder River Counties.

(5) **Performance Measures:**

- ☒ Completion: Submission of documentation within 3 months of HUD's approval of this Action Plan; closeout by June 2010.
- ☒ Complete documentation which demonstrates directly the relationship between claimed expenses and the presidentially-declared disaster of May 1-2, 2008
- ☒ Damaged infrastructure housing and businesses restored to good, standard condition.

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- (6) Total Budget: Based on current information, approximately 25% of Disaster Recovery Project Funds will be allocated to these activities, but the final amount will be based on the documentation accompanying responses to the RFP.

If the Montana Disaster Recovery funds designated for this activity are not awarded toward a specific location or project within six months of the approval of this Action Plan, the State reserves the right to reallocate the remaining balance of unobligated funds to another designated activity or activities in this action plan.

- (7) Responsible Organization: MDOC CDD will review RFPs from local governments and make awards based on criteria established for the program. Specific awardees will be named upon evaluation of the responses to the RFP.
- (8) Projected Approximate Start Date: March 2009
- (9) End Date: June 30, 2010

ACTIVITY B: Long Term Recovery

- Description: Implementing innovative approaches to long term recovery to restore full normal function of public services.
- (1) Activity Name: Long Term Recovery.
- (2) National Objective:
- a. All activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, or primarily benefit LMI persons); and
 - b. At least 50% of the Supplemental Funding will be used for activities that meet the National Objective of primarily benefiting persons of low- and moderate-income.
- (3) Location Description: Projects will be located within one of the four Montana counties included in the presidential declaration of disaster, with an emphasis on projects that introduce innovation to restore full normal function of public services, specifically in regard to dealing with severe weather. Specific awards in the RFP process will be established according to proposals for projects selected.
- (4) Performance Measures:
- ☒ Completion: Start up activities completed within 6 months of award; obligation of funds by June 30, 2010.
 - ☒ Damaged infrastructure, housing, and businesses restored to good, standard condition.
- (5) Total Budget: Based on the HUD data and the communities' responses, approximately 60% of Disaster Recovery Project Funds will be allocated to these

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activities, but the final amount will be based on projects selected from responses to the RFP.

If the Montana Disaster Recovery funds designated for this activity are not awarded toward a specific location or project within nine months of the approval of this Action Plan, the State reserves the right to reallocate the remaining balance of unobligated funds to another designated activity or activities in this action plan.

- (6) Responsible Organization: MDOC CDD will review RFPs from local governments and make awards based on criteria established for the program. Specific awardees will be named upon evaluation of the responses to the RFP.
- (8) Projected Approximate Start Date: March 2009
- (9) End Date: Funds fully obligated by June 30, 2010

F. OTHER REQUIREMENTS

Antidisplacement and Relocation

Recipients will be expected to minimize displacement of persons or entities and assist any persons or entities displaced as a result of the disaster.

Monitoring Standards and Procedures

Under federal regulations and state law (Section 2-7-504, MCA), city, town and county grant recipients must be able to demonstrate that their financial management system meets generally accepted accounting principles and complies with the Montana Single Audit Act before MDOC will disburse funds for a local project. As part of this process, MDOC will consult with the Local Government Services Bureau of the Montana Department of Administration, as applicable, to determine if the applicant is current in completing required financial audits and submitting annual financial reports.

In those cases where the applicant's jurisdiction has inadequate accounting capacity, the MDOC will work with the Local Government Services Bureau to provide technical assistance. In some cases, this may require purchasing special computer software programs and training of staff responsible for financial management.

Under HUD regulations, in order to be awarded federal funds, an applicant must have the management capacity to undertake and satisfactorily complete the project it is proposing. If an applicant does not believe that it currently has the capacity to manage a disaster grant, it may propose to hire administrative staff, arrange for project administration by another local government via an inter-local agreement, or by contracting for administrative services with a consultant.

The Department will determine the areas to be monitored, the number of monitoring visits, and their frequency. All grants will be monitored at least once on site during the life of the activity. The monitoring will address program compliance with contract provisions, including national objective, financial management, and the requirements of 24 CFR Part 85.

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The Department will utilize the check lists similar to those used in monitoring regular CDBG program activities. The Department will revise monitoring checklists to make them appropriate for the Disaster Recovery funding, and applicable waivers and alternative requirements. In addition to the usual information collected through the CDBG Monitoring Checklist, the revised version will include a set of questions designed to address the issue of non-duplication of benefits.

Investigation and Mitigating Occurrences of Fraud, Abuse and Mismanagement

MDOC will work with HUD to oversee compliance with this Action Plan and will administer and recommend disbursement of funds in accordance with the contracted agreements with a zero tolerance for duplication of benefits and fraud. Expenditures will be disallowed if the use of the funds does not address disaster-related needs. In such cases, the local government receiving the funding would be required to refund the amount of the grant that was disallowed.

Action Plan Amendments

The following events would require a substantial amendment to the Action Plan:

- ▶ Addition or deletion of any allowable activity (e.g. Housing Assistance, Business Assistance, and Public Facilities/Infrastructure) described in the Plan;
- ▶ Significant change in the planned beneficiaries, defined as a change of more than 5 percent in the original proposed funding allocation between the various activity categories of housing, economic development/business assistance, and public facilities and services (unless sufficient applications are not received to meet the targeted percentages for each activity.)

Substantial amendments to the MDOC Disaster Recovery Action Plan, if any, will be published on the Department's website, emailed to affected units of general local government and will provide for a public comment period. All comments will be considered.

Localities will be allowed to amend projects through a "change order" process if the proposed changes are minor and do not materially change the project (generally defined as 10% budget line-item change, or 10% change in beneficiaries. More substantial amendments will require a more formal amendment process, including written permission from MDOC.

Promoting High Quality, Durable, Energy Efficient, and Mold Resistant Construction Methods

All newly constructed multi-family and single-family housing must meet all locally adopted and enforced building codes, standards and ordinances. In the absence of locally adopted and enforced building codes, standards and ordinances, the requirements of the State Building Code apply. The Montana Department of Labor and Industry's Building Codes Bureau has adopted the International Building Code.

All newly constructed housing must also meet the requirements of the most current edition of the International Energy Efficiency Code. The code establishes energy conservation standards for improvements to existing residential structure or construction of new residential housing units, as well as standards for other types of construction.

APPENDIX A: CERTIFICATIONS FOR STATE GOVERNMENTS, WAIVER AND ALTERNATIVE REQUIREMENT

In accordance with the applicable statutes and the regulations governing the consolidated plan and the Supplemental Appropriations Act, 2008, the State certifies that:

a) The state certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(See 24 CFR 570.487(b)(2).)

b) The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

c) The state certifies its compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that Part.

d) The state certifies that the Action Plan for Disaster Recovery is authorized under state law and that the state, and any entity or entities designated by the state, possesses the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

e) The state certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant.

f) The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.

g) The state certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant), and that each unit of general local government that is receiving assistance from the state is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

h) The state certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the nonentitlement, entitlement and tribal areas of the state in determining the method of distribution of funding;

i) The state certifies that it is complying with each of the following criteria:

1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters.

2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the amount is expended for activities that benefit such persons during the designated period.

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4) The state will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).

j) The state certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

k) The state certifies that it has and that it will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:

1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

l) The state certifies that each state grant recipient or administering entity has the capacity to carry out disaster recovery activities in a timely manner, or the state has a plan to increase the capacity of any state grant recipient or administering entity that lacks such capacity.

m) The state certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

n) The state certifies that it will comply with applicable laws.

Anthony J. Preite, Director
Montana Department of Commerce

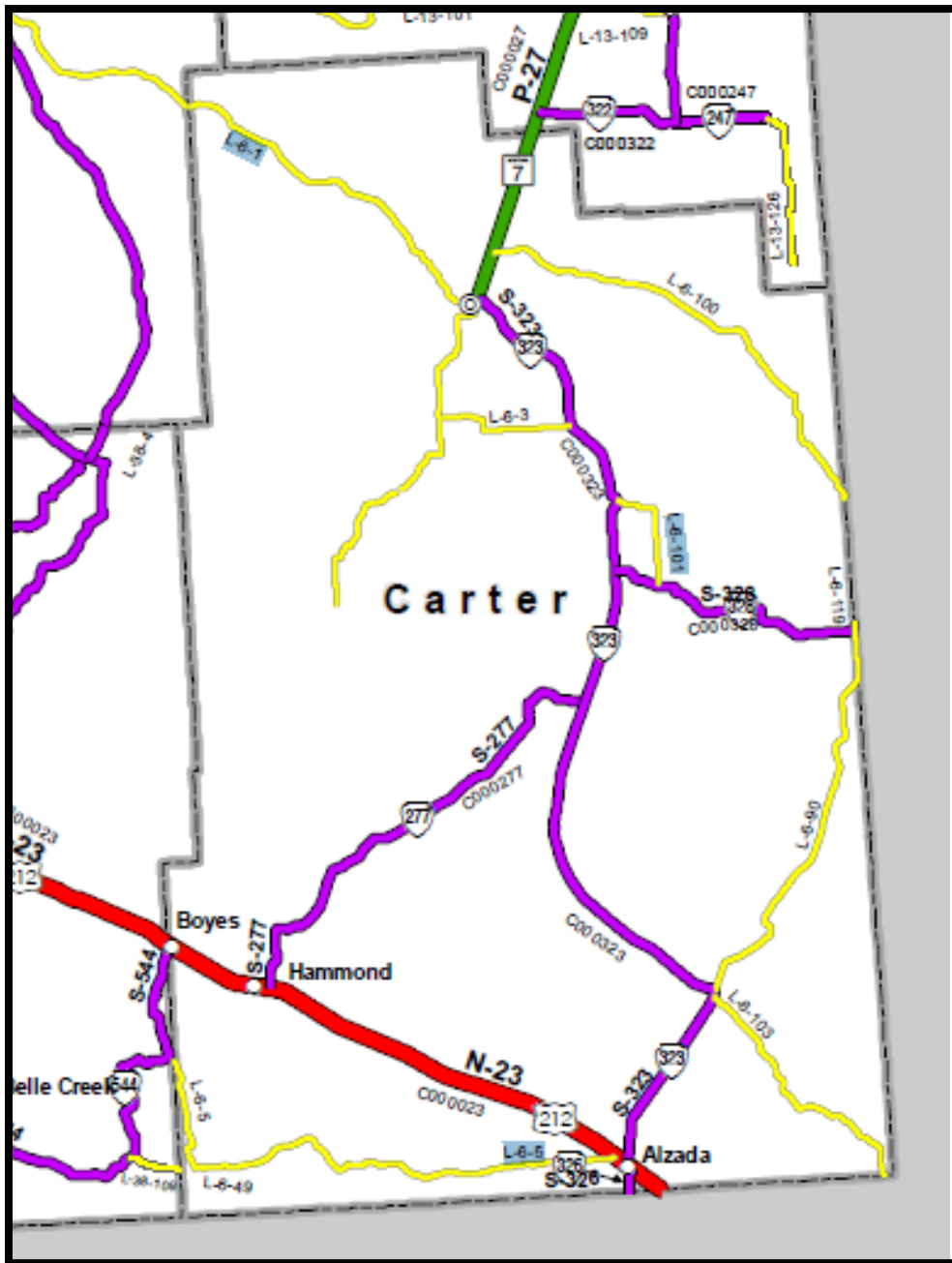
Date

Title

APPENDIX B: ELIGIBLE ROADS AND ASSOCIATED MAPS
ROADS WITH FUNCTION CLASSIFICATION OF MAJOR
COLLECTOR AND HIGHER, PER MONTANA DEPARTMENT OF
TRANSPORTATION

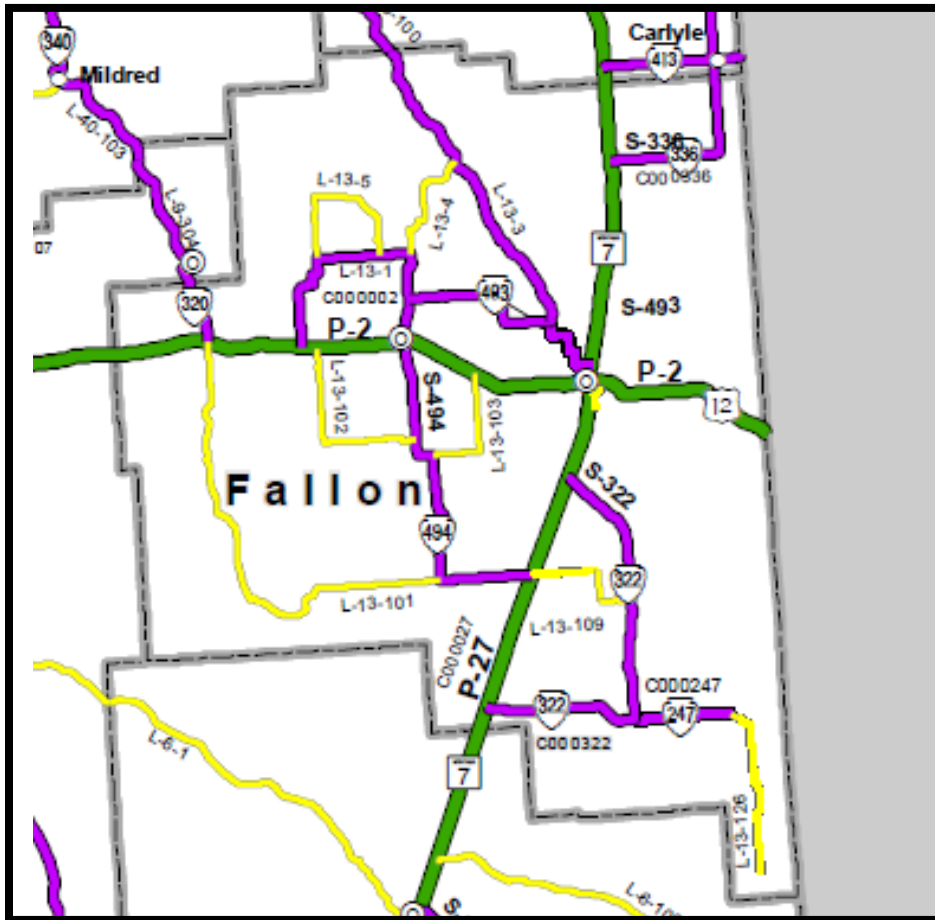
Eligible Roads by County included in the May 1-2, 2008 Disaster Declaration									
Carter		Custer		Fallon		Powder River		Unknown	
N-23	C000023	P-2		P-2		N-23	C000023	Shared:	L-9-214
P-27	C000027	P-18	C000018	P-27	C000027	N-37	C000037		
S-277	C000277	P-23	C000023	S-322	C000322 C000247	P-54	C000054		
S-323	C000323	S-332	C000332	S-336	C00036	S-391	L-38-4 L-38-3 L-38-2 L-38-102 L-38-143		
S-328	C000328	S-489	C000489	S-493		S-484	C000484		
		L-9-203		S-494		S-544			
		L-9-301			L-13-1		L-38-1		
		L-9-305			C000002		L-38-101		
			X-09003		L-13-3				

CARTER COUNTY



Source: <http://mdt.mt.gov/travinfo/docs/funct-classification.pdf>

FALLON COUNTY



Source: <http://mdt.mt.gov/travinfo/docs/funct-classification.pdf>

APPENDIX D: Estimated Disaster Recovery Grant Timeline, Southeast Montana

***** December 19, 2008:	CDBG Disaster Funds announced for Montana
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***** March 4, 2009:	Montana Disaster Recovery Plan available for Public Comment
*	
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*	
***** March 6, 2009:	Disaster Recovery Meeting with Representatives of Affected Counties, Miles City, MT
*	
*	
*	
***** March 11, 2008	Last Date to Submit Public Comment
*	
*	
*	
***** March 13, 2009:	Due Date for Submission of Montana Disaster Recovery Plan to HUD
*	
*	
*	
***** April 1, 2009:	Tentative Date for HUD Approval of Montana Disaster Recovery Plan and Publication of RFP
*	
*	
*	
***** April 15, 2009:	Tentative Due Date for Submission of Disaster Recovery Proposals
*	
*	
*	
***** May 15, 2009:	Tentative Announcement of Grant Awards
*	
*	
*	
***** May 15 – Aug 31, 2009:	Completion of Contract Start-up Requirements
*	
*	
*	
***** Sept. 1, 2009- June 29, 2010	Grant Activities Carried Out
*	
*	
***** June 30, 2010	All Disaster Funds Fully Expended